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Approved For Release 2001/05/11 : CIA-RDP78B04747A001400030019-4

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26 July 66

NPIC/P&DS/D/6-1481  
22 July 1966

MEMORANDUM FOR: Chief, Procurement Division, Office of Logistics

ATTENTION: [REDACTED]

SUBJECT: Contract [REDACTED]

REFERENCE: (a) Memorandum NPIC/P&DS/D/6-745 Dated 27 January 1966  
(b) Letter from the Contracting Officer [REDACTED] to the Contractor Dated 16 February 1966  
(c) Memorandum from [REDACTED] Contracting Officer, NPIC Dated 23 June 1966

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1. The subject contract is for the design, development, and fabrication of three advanced prototype light tables under a [REDACTED] fixed price contract with [REDACTED]. In December 1965 the Contractor requested additional funding, and NPIC made a negative recommendation to your office in reference (a). Subsequently by reference (b), the contracting officer informed the contractor that any consideration of financial help would have to be delayed until satisfactory completion and delivery of all items under the contract. Reference (c) contains another request from the contractor for additional funding.

2. Our response to reference (c) remains the same as stated in reference (c); financial help, if any, must be deferred pending satisfactory completion and delivery of all items under the contract. At this date, delivery is not complete, and the items are not satisfactory.

3. Furthermore, the specifications that the contractor claims to have exceeded in reference (c) were only the minimum values that had to be met to make the equipment acceptable. It was to be expected that some of these minimum goals would be exceeded; but, in no case did the technical monitor encourage the contractor to strive to exceed the specifications with the expectation of additional compensation.

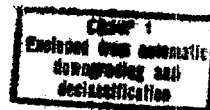
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4. [REDACTED] statement that Light Table No. 2 "was acceptable in all other areas of workmanship and mechanical function" is very misleading. As pointed out in reference (a), reasonable compromises were made to the specifications in order to give the contractor some relief. For instance, the workmanship in the castings and choice of color are both below acceptable commercial levels and the contractor was not required to refinish either Light Table number 1 or 2 because

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it was found that he would not accept this additional cost in light of his overrun status. In addition, the overall dimensions of the instruments--as clearly outlined in the Development Objectives--were relaxed to provide the contractor additional design freedom. This resulted in the equipment being considerably larger than intended. Again this was done as a reasonable compromise. Additional exceptions such as non-performance of the film hold-down mechanism and the poorly designed tilting mechanisms were also allowed.

5. It is doubtful that the three items that the contractor cites to demonstrate ambiguity of the specifications could have been more clearly stated in the Development Objectives--the microscopes to be utilized with the instruments were listed, the illumination specifications were distinctly stated, and the microscope mounting technique was implied in the mensuration accuracy and least count specifications which were also relieved.

6. In conclusion, we recommend no further consideration for additional funds until the performance under this contract has been completed and all deliverable items have been accepted by this office. At this point, it does not appear that any basis for additional funding can be justified.

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Assistant for Plans and Development, NPIC

Distribution:

Original and 1 - Addressee  
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2476: (13 July 66)

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